

Decision 06-09-020 September 7, 2006

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of HAWK Group, Inc. for authority to control East Bay Connection, Inc. pursuant to Section 854 of the California Public Utilities Code.

Application 06-05-004
(Filed May 4, 2006)

O P I N I O N

Summary

This decision grants the application of Reshad Sulymankhel, Nazir Sulymankhel, Bashir Sulymankhel, and Jawad Sulymankhel (Sellers) and HAWK Group, Inc. (Buyer), a California corporation, to transfer control of East Bay Connection, Inc. (East Bay) pursuant to Pub. Util. Code § 854.

Discussion

The application requests approval to transfer control of East Bay from Sellers to Buyer. East Bay is authorized by Decision (D.) 95-09-037, as revised by D.05-09-016, to operate as an on-call passenger stage corporation (PSC-8614) between points in seven Bay Area counties and San Francisco (SFO), Oakland (OAK), and San Jose (SJC) International Airports. It conducts the business with a fleet of 27 vans and sedans.

Sellers own 31,336 of the 32,986 issued and outstanding shares of stock of East Bay. They have agreed to sell their stock to Buyer under terms and conditions set forth in the Business Stock Sale Agreement attached to the application as Exhibit A. The sales price is \$338,900. Buyer will pay \$200,000 cash at time of closing of the agreement and execute a promissory note for the

remainder. Sellers desire to sell their ownership and pursue other business interests. They also want the shuttle service to continue in the future in the manner in which it has been conducted for many years for the benefit of the company's employees, clients, and the general public.

Buyer states that transfer of the stock and control will have no effect upon the operations of the company or service to the public. Hashmat Rahel, a stockholder and officer of Buyer, has been acting manager of the day-to-day operations of East Bay and will continue to act in that capacity under the new ownership. Buyer indicates that Rahel has thorough knowledge and experience in conducting an on-call airport shuttle operation.

Notice of filing of the application appeared in the Commission's Daily Calendar on May 8, 2006.

In Resolution ALJ 176-3172 dated May 11, 2006, the Commission preliminarily categorized this application as ratesetting, and preliminarily determined that hearings were not necessary. No protest has been received. Given this status, public hearing is not necessary, and it is not necessary to alter the preliminary determinations made in Resolution ALJ 176-3172.

This is an uncontested matter in which the decision grants the relief requested. Accordingly, pursuant to Pub. Util. Code § 311(g)(2), the otherwise applicable 30-day period for public review and comment is being waived.

Assignment of Proceeding

Richard Clark is the assigned Examiner in this proceeding.

Findings of Fact

1. East Bay is authorized to operate as an on-call PSC pursuant D.95-09-037, as revised by D.05-09-016.
2. Sellers own 31,336 of the 32,986 issued and outstanding shares of stock of East Bay.

3. Buyer requests authority to purchase Sellers' interest in East Bay.
4. Buyer has the knowledge, experience, and ability to operate the PSC operation.
5. The proposed transfer of control will not be adverse to the public interest.
6. No protest to the application has been filed.
7. A public hearing is not necessary.
8. It can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

Conclusions of Law

1. The proposed sale of controlling interest in East Bay should be authorized.
2. Since the matter is uncontested, the decision should be effective on the date it is signed.

O R D E R

IT IS ORDERED that:

1. Pursuant to Pub. Util. Code § 854, HAWK Group, Inc. (Buyer), a California corporation, is authorized to acquire control of East Bay Connection, Inc. through purchase of 31,336 of the 32,986 issued and outstanding shares of stock from Reshad Sulymankhel, Nazir Sulymankhel, Bashir Sulymankhel and Jawad Sulymankhel.
2. Within fifteen (15) days of the date the transaction closes, Buyer shall notify the Commission's Consumer Protection and Safety Division in writing thereof.
3. The authority granted by this order shall lapse unless it is exercised within 90 days of the effective date of this order.

4. This proceeding is closed.

Dated September 7, 2006, at San Francisco, California.

MICHAEL R. PEEVEY
President
GEOFFREY F. BROWN
DIAN M. GRUENEICH
JOHN A. BOHN
RACHELLE B. CHONG
Commissioners